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86TH CONGRESS }
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SENATE

{ REPORT
No. 476

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1960

JULY 7, 1959.—Ordered to be printed

Mr. CHAVEZ, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 7454]

The Committee on Appropriations, to whom was referred the bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill passed by House.....	\$38, 848, 339, 000
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Amount added by Senate (net).....	746, 000, 000
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Total of bill as reported to Senate.....	39, 594, 339, 000
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Amount of 1960 revised budget estimates.....	39, 248, 200, 000
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Amount of 1959 appropriations.....	39, 888, 207, 100
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The bill as reported to the Senate:

Over the budget estimates, 1960.....	346, 139, 000
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Under appropriations for fiscal year 1959.....	293, 868, 100
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Summary of appropriations

Title	Appropriations, 1959	Budget estimates, 1960	Recommended in House bill, 1960	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations, 1959	Estimates, 1960	House bill, 1960
Title I—Military personnel.....	\$11,809,409,000	\$11,624,924,000	\$11,614,624,000	\$11,618,324,000	—\$191,085,000	—\$6,600,000	+\$3,700,000
Title II—Operation and maintenance.....	10,055,281,800	10,502,978,000	10,403,367,000	10,485,367,000	+430,085,200	—17,611,000	+82,000,000
Title III—Procurement.....	15,263,563,000	13,347,963,000	13,003,013,000	13,719,113,000	—1,544,450,000	+371,150,000	+716,100,000
Title IV—Research, development, test, and evaluation.....	2,759,953,300	3,772,335,000	3,827,335,000	3,771,535,000	+1,011,581,700	—800,000	—55,800,000
Total, titles I, II, III, and IV.....	39,888,207,100	39,248,200,000	38,848,339,000	39,594,339,000	—293,868,100	+346,139,000	+746,000,000
Distribution of appropriations by organizational component:							
Army.....	9,051,701,200	8,985,000,000	9,206,905,000	9,428,505,000	+376,803,800	+443,505,000	+221,600,000
Navy.....	11,480,310,400	11,107,775,000	11,025,103,000	11,262,503,000	—217,807,400	+154,728,000	+237,400,000
Air Force.....	17,982,276,800	17,767,200,000	17,228,506,000	17,530,106,000	—452,170,800	—237,094,000	+301,600,000
Office of the Secretary of Defense.....	1,373,918,700	1,388,225,000	1,387,825,000	1,373,225,000	—693,700	—15,000,000	—14,600,000
Total, Department of Defense.....	39,888,207,100	39,248,200,000	38,848,339,000	39,594,339,000	—293,868,100	+346,139,000	+746,000,000

APPROPRIATION SUMMARY

For fiscal year 1960 the budget submission in January, plus a supplemental request in House Document 102, totaled \$39,248,200,000, not including military construction funds which are considered separately in another appropriation bill. This was \$640,007,100 under the appropriation for fiscal year 1959 of \$39,888,207,100. It included \$8,985,000,000 for the Department of the Army, \$11,107,775,000 for the Department of the Navy, \$17,767,200,000 for the Department of the Air Force, and \$1,388,225,000 for the combined activities of the Office of the Secretary of Defense.

In acting on the bill, the House of Representatives provided \$38,848,339,000, a net reduction from the budget estimates of \$399,861,000, involving increases of \$779,800,000 and decreases of \$1,179,661,000. For the Army these included net increases of \$221,905,000, the Navy net decreases of \$82,672,000, for the Air Force net decreases of \$538,694,000, and for the Office of the Secretary of Defense a decrease of \$400,000. The itemized actions by appropriation title are found elsewhere in this report.

MODIFICATION OF DEFENSE PROGRAM

During the course of the Senate hearings the Department of Defense submitted to the Senate committee certain proposed changes in the appropriation request. These are detailed elsewhere in the report, but in summarized form they include the following.

Of the \$200,000,000 which the House added to the bill for the acceleration of the NIKE-ZEUS missile and/or Army modernization, the Department has indicated that it would apply \$137,000,000 to the preproduction preparation for NIKE-ZEUS missiles and equipment and \$63,000,000 to Army modernization. In addition, the Department stated that \$10,800,000 of the funds requested for research, development, test, and evaluation for NIKE-HERCULES would not be required. Also, the Department of Defense stated that \$76,800,000 of NIKE-HERCULES funds available for the air defense program would be transferred to the Army modernization program. Of this latter amount, only a small portion is in the 1960 budget, the remainder being reprogrammed from prior years.

Two other major changes in funding were also indicated in connection with the modified defense program. The House had made a reduction of \$162,700,000 in funds for the BOMARC missile. The Department of Defense requested that \$129,900,000 of these funds be restored, leaving a net reduction, after restoration, of \$32,800,000.

The House also made a reduction in the radar improvement program of the Air Force of \$50,000,000. The Department of Defense, under the revised program, has requested a restoration which, together with program readjustments, provides for a net restoration request of \$41,700,000.

It should be noted that the revised program requested includes only the effect on the 1960 program and prior years. It does not include the military construction changes, presented in another appropriation request, nor does it include changes in the air defense program which will be effected in future years.

In summary, then, the revised air defense program proposed by the Department of Defense, insofar as it relates to the Defense Depart-

ment appropriation bill for fiscal year 1960, indicates additions of \$226.8 million and deductions of \$78.9 million from the budget estimates, or a net increase of \$147.9 million. It also indicates additions of \$171.6 million and deductions of \$10.8 million from the House action, or a net increase of \$160.8 million over the House approved amounts.

A tabulation showing the effect of these proposed actions is provided below:

Adjustments for revised air defense program and Army modernization as proposed by the Department of Defense

(Millions of dollars)

	Addition to budget estimate	Deduction from budget estimate	Addition to House action	Deduction from House action
BOMARC: Reduction in long leadtime components required for ground sets in future years program: Missile procurement, Air Force.....		32.8	129.9	
Radar improvement programs:				
(1) SAGE direction and combat centers: Reduction in number of conventional SAGE centers, \$34.8 million.				
(2) SAGE super combat centers: Acceleration of conversion to transistorized computers, \$26.8 million.				
(3) Gap filler radars: Reduction in fiscal year 1960 financing, to be financed in future years, \$0.3 million; Other procurement, Air Force.....	26.8	35.1	41.7	
NIKE-HERCULES: Reduction in number of ground battery sets required and reevaluation of test requirements:				
Procurement of equipment and missiles, Army.....		4.2		
Research, development, test and evaluation, Army.....		10.8		10.8
NIKE-ZEUS: Preproduction preparation for NIKE-ZEUS, \$137.0 million; and increased Army modernization, \$63.0 million; ⁴ Procurement of equipment and missiles, Army.....	200.0			
Total ⁵	226.8	78.9	171.6	10.8

¹ See the following:

BOMARC:	Million
House reduction.....	\$162.7
Air defense adjustment.....	-32.8
DOD reclama to Senate.....	129.9

² See the following:

Radar improvement programs:	
House reduction.....	50.0
Air defense adjustments:	Million
(1) SAGE direction and combat centers.....	-34.8
(2) SAGE supercombat centers.....	+26.8
(3) Gap filler radars.....	-3
DOD reclama to Senate.....	41.7

³ Represents reduction to fiscal year 1960 program. Prior programs reduced by an additional \$76.6 million.

⁴ In addition, \$76.8 million available from reductions in the NIKE-HERCULES air defense program will be reprogramed for Army modernization.

⁵ The adjustments reflected on this table are limited to those involving fiscal year 1960 programs. Adjustments to subsequent years are not shown.

SENATE COMMITTEE ACTION

The Senate Appropriations Committee recommends an appropriation for fiscal year 1960 of \$39,594,339,000 together with transfer authority from revolving funds totaling \$450,000,000. This is an amount \$346,139,000 in appropriations and \$110,000,000 in transfer authority over the budget estimates and an amount \$746,000,000 in appropriations and \$29,000,000 in transfer authority over the House.

For the departments concerned, the Senate committee bill provides \$9,428,505,000 for the Department of the Army, \$11,262,503,000 for the Department of the Navy, \$17,530,106,000 for the Department of the Air Force, and \$1,373,225,000 for the Office of the Secretary of Defense.

In total new obligational availability, the budget estimate provided \$39,588,200,000; and the House provided \$39,269,339,000. Presented to the Senate committee for consideration was a request for \$39,806,438,000. The Senate committee recommends the total obligational availability of \$40,044,339,000.

Committee action is dealt with in detail in the pages following. A brief résumé of it is as follows:

In the area of military strength the committee has approved the action of the House in maintaining the strength of the National Guard at 400,000 rather than the budgeted strength of 360,000 and the Army Reserve at 300,000 rather than the budgeted strength of 270,000. In addition, the committee has provided funds to increase the size of the Marine Corps from 175,000 to 200,000. The committee has also added language to the bill which will make such strengths mandatory.

For the Department of the Army, the committee has provided an increase in funds for substantial modernization. The House added \$200,000,000 in procurement funds, the Department of Defense indicating that it would utilize \$137,000,000 of such funds for the acceleration of the NIKE-ZEUS missile and 63,000,000 for Army modernization. The committee approves of this contemplated action. Also the committee has provided \$205,300,000 of additional appropriations for modernization purposes. The committee approved the departmental plan to reprogram \$76,800,000 of NIKE-HERCULES funds for Army modernization and increased this by \$41,000,000 of other NIKE-HERCULES funds to be reprogrammed for the same purpose, or a total of \$117,800,000 in reprogramming action.

Thus, for Army modernization, including NIKE-ZEUS acceleration, the committee has recommended appropriations increases of \$405,300,000 over the budget plus \$117,800,000 in reprogrammed activities.

For the Department of the Navy, the committee recommends full funding of \$380,000,000 for a new nuclear attack carrier in place of the budgeted conventional carrier, which was deleted from the program by the House. It has also added \$18,000,000 for long leadtime procurement for a nuclear antisubmarine submarine. It has not recommended inclusion of the antisubmarine warfare increases over the budget provided by the House. With the exception of these actions, the committee has approved the shipbuilding program of the Department of the Navy.

For the Department of the Air Force, the committee has provided substantial amounts for missile procurement. The committee has approved \$79,900,000 of the funds requested for the BOMARC missile and associated ground support equipment. The additional \$85,000,000 provided by the House for ATLAS missiles and the additional \$77,000,000 provided by the House for MINUTEMAN acceleration have been approved by the committee, but only with the understanding that these funds may be applied to any area of the ballistic missile field in which the Secretary of Defense deems additional funding is required to accelerate the program.

Added flexibility in programing has been provided to the Secretary of Defense by including transfer authority in the missile field in order to enable the Department of Defense to take advantage of favorable breakthroughs in ballistic missile programs. Such flexibility includes authority to transfer funds from but not to the BOMARC, NIKE-AJAX, and NIKE-HERCULES missile programs.

The revised program for continental air defense recently submitted to the Congress calls for a completion of the conversion program from NIKE-AJAX to NIKE-HERCULES batteries at an early date. Upon completion of this program, it is understood by the committee that a considerable number of NIKE-AJAX batteries will continue in operation. It is apparent to the committee from the testimony of various highly qualified witnesses that this short-range weapon has virtually outlived its usefulness. The committee is of the firm opinion that the Secretary of Defense should begin an immediate retrenchment and orderly phaseout of the entire NIKE-AJAX program.

ANTICIPATED DEFICIENCIES

The committee was concerned over the anticipated deficiencies testified to in the Departments of the Army and Air Force and regrets the inability of the services concerned to secure authorization from the Bureau of the Budget to present their fiscal deficiency problems properly to the Congress.

The committee has also noted the differences in opinion existing between the estimates of an anticipated shortage in assets in the Army "Procurement of equipment and missiles" account as testified to by the Department of the Army and estimates submitted by the Office of the Assistant Secretary of Defense, Comptroller.

The Army testified that a deficiency of \$267,000,000 was anticipated in fiscal 1960 as a result of the estimate that deobligations in 1959 and 1960 and MAP reimbursements from prior years will not materialize. The Assistant Secretary of Defense has indicated that the shortage from the failure of these anticipated assets to materialize may total \$117,000,000. In consequence the committee requests the Department of Defense to submit to the committee within 60 days a full report as to the causes of the anticipated deficiency, together with a complete explanation of the discrepancies in the various estimates involved.

TITLE I—MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

Appropriation, 1959.....	¹ \$3, 175, 961, 000
Budget estimate, 1960.....	² 3, 314, 063, 000
House action.....	³ 3, 233, 063, 000
Amount requested of Senate.....	³ 3, 233, 063, 000
Committee recommendation.....	³ 3, 233, 063, 000

¹ In addition, \$375,000,000 to be derived by transfer from revolving funds.

² In addition, \$200,000,000 to be derived by transfer from revolving funds.

³ In addition, \$281,000,000 to be derived by transfer from revolving funds.

This appropriation provides for pay, allowances, individual clothing, subsistence, permanent change of station travel, expenses of temporary duty travel between permanent duty stations, and related ex-

penses of Army military personnel on active duty (except those undergoing Reserve Training).

The committee recommends the appropriation of \$3,233,063,000 for "Military personnel, Army," plus \$281,000,000 to be derived by transfer from revolving funds. This is the amount provided by the House. It is \$81,000,000 in appropriations less than the budget estimate but the authority to transfer from revolving funds has been increased by the same amount.

The committee carefully considered increasing the size of the Regular Army from the budgeted 870,000 to 900,000. It will be recalled that in fiscal year 1959 the Congress provided funds for a strength of 900,000 rather than the requested 870,000, as provided in the budget for that year. Subsequent to the Taiwan and Lebanon crises the forces were reduced so that as of May 31, 1959, they total 865,732. The committee has provided funds for 870,000 military personnel, the same as approved by the House. In so doing, the committee was guided by the paramount need for a well-trained, mobile, and modern Army with increased firepower, and has made provision elsewhere in the bill for these objectives.

In addition, the committee recommends the inclusion of the following language:

: Provided, That effective July 1, 1959, the appropriation accounts 'Military Personnel, Army', 1956 and 1957, shall be transferred to and merged with the appropriation account entitled, 'Military Personnel, Army, Prior Years' established pursuant to the provisions of section 1(a)(1) of the Act of July 25, 1956, 70 Stat. 647, 648

The proposed language will, through an accounting adjustment, close out the military personnel accounts for fiscal 1956 and fiscal 1957 for which deficiencies were incurred as a result of increased numbers of dependents, transportation rates, and other unpredictable factors.

MILITARY PERSONNEL, NAVY

Appropriations, 1959.....	¹ \$2, 420, 618, 200
Budget estimate 1960.....	² 2, 476, 700, 000
House action.....	² 2, 476, 700, 000
Amount requested of Senate.....	² 2, 476, 700, 000
Committee recommendation.....	² 2, 476, 700, 000

¹ In addition, \$135,000,000 to be derived by transfer from revolving funds.

² In addition, \$75,000,000 to be derived by transfer from revolving funds.

This appropriation provides for pay, allowances, individual clothing, subsistence, permanent change of station travel, expenses of temporary duty travel between permanent duty stations, and related expenses of Navy military personnel on active duty (except those undergoing Reserve training).

The committee has approved the action of the House in providing \$2,476,700,000, the budget estimate, for this appropriation, plus \$75 million by transfer from revolving funds. Funds recommended will provide for an end strength for fiscal 1960 of 630,000 officers and enlisted men, midshipmen, aviation cadets, officer candidates, and aviation officer candidates.

MILITARY PERSONNEL, MARINE CORPS

Appropriations, 1959-----	¹ \$635, 692, 000
Budget estimate, 1960-----	² 596, 900, 000
House action-----	² 596, 900, 000
Amount requested of Senate-----	² 596, 900, 000
Committee recommendation-----	³ 620, 600, 000

¹ In addition, \$25,000,000 to be derived by transfer from revolving funds.

² In addition, \$15,000,000 to be derived by transfer from revolving funds.

³ In addition, \$24,000,000 to be derived by transfer from revolving funds.

This appropriation provides for pay, allowances, individual clothing, subsistence, permanent change of station travel, expenses of temporary duty travel between permanent duty stations, and related expenses of Marine Corps military personnel on active duty (except those undergoing Reserve training).

The committee recommends an appropriation for "Military personnel, Marine Corps" of \$620,600,000 and transfer authority of \$24,000,000. This is an increase over the House and budget of \$23,700,000 in appropriations and \$9,000,000 in transfer authority.

Increases provided are to maintain a Regular Marine Corps for the fiscal year 1960 at an end strength of not less than 200,000, for which language is added to accomplish this. In addition, language has been added to the bill which will insure that the funds so appropriated will be utilized for no other purpose. The Department of Defense indicated during the course of the hearings that a total of \$43,100,000 would be required to provide a Marine Corps with an end strength of 200,000. Of this total, \$32.7 million would be needed in this appropriation; \$4.5 million in "Operation and maintenance, Marine Corps"; and \$5.9 million in "Operation and maintenance, Navy." This the committee has done. Of the additional amount provided in this appropriation, the committee has recommended additional appropriations of \$23.7 million and transfer authority from the Marine Corps stock fund to this appropriation of \$9 million, viewing the latter's balances available as adequate to carry out the planned program. This increases the total amount transferred from the Marine Corps stock fund to \$24,000,000, as indicated above.

MILITARY PERSONNEL, AIR FORCE

Appropriations, 1959-----	\$3, 941, 801, 000
Budget estimate, 1960-----	¹ 3, 914, 000, 000
House action-----	¹ 3, 912, 000, 000
Amount requested of Senate-----	¹ 3, 914, 000, 000
Committee recommendation-----	² 3, 892, 000, 000

¹ In addition, \$50,000,000 to be derived by transfer from revolving funds.

² In addition, \$70,000,000 to be derived by transfer from revolving funds.

This appropriation provides for pay, allowances, individual clothing, subsistence, permanent change of station travel, expenses of temporary duty travel between permanent duty stations and related expenses of Air Force military personnel on active duty (except those undergoing reserve training).

The committee recommends an appropriation of \$3,892,000,000 for "Military personnel, Air Force," together with \$70,000,000 of transfer authority from revolving funds. This is a decrease of \$20,000,000 in appropriations from the House and an increase of \$20,000,000 in transfer authority. It is a decrease of \$22,000,000 from the budget estimate and an increase of \$20,000,000 in transfer authority. During

the hearings the Air Force indicated that this account would probably be deficient in 1959 by approximately \$43 million and in fiscal 1960 by approximately \$50 million. The committee is sympathetic to this problem within the Air Force and has added language to the bill to liquidate obligations incurred prior to July 1, 1959. The committee suggests that budget estimates be presented to the Congress to cover anticipated deficiencies in fiscal 1960. The committee is emphatic in its belief that this deficiency should not again occur without the committee being promptly informed in accordance with the statutes on deficiencies.

With reference to the deficiency in the Air Force military personnel account for fiscal year 1959, there appears to be a definite violation of the provisions of the Antideficiency Act (sec. 3679, Revised Statutes) in the failure of the Bureau of the Budget to submit the detailed reports required by the statute, accompanied by the required supplemental estimates. Furthermore, the failure of the Bureau of the Budget to submit formally revised estimates to cover the admitted deficiencies in the Air Force military personnel account for fiscal year 1960 is in conflict with the applicable provisions of the Budget and Accounting Act of 1921, as amended. One of the applicable provisions of this act states:

No estimate or request for an appropriation and no request for an increase in an item of any such estimate or request, and no recommendation as to how the revenue needs of the Government should be met, shall be submitted to Congress or any committee thereof by any officer or employee of any department or establishment, unless at the request of either House of Congress (June 10, 1921, ch. 18, title II, sec. 206, 42 Stat. 21).

The committee has not recommended restoration of the \$2 million reduced by the House in the permanent change of station travel item. The committee feels strongly that large-scale economies could be effected if the Departments of the Army, Navy, and Air Force were to reduce the constant and vast shifting of military personnel from one area to another. The committee recognizes that periodic troop rotation is necessary and advisable, but it believes that careful planning and screening could accomplish a large-scale reduction in personnel movements which would not only reduce costs but would provide a beneficial effect on the morale of the individuals and families who must suffer the inconvenience of frequent relocation. It strongly urges the Department of Defense to overhaul permanent change of station travel and other travel programs in order to eliminate the attendant waste of money and personnel. The committee directs the Secretary of Defense to report to the committee by April 1, 1960, the accomplishments of the various Departments in reducing their travel programs.

RESERVE PERSONNEL, ARMY

Appropriations, 1959.....	\$222, 759, 000
Budget estimate 1960.....	202, 000, 000
House/action.....	231, 700, 000
Amount requested of Senate.....	202, 000, 000
Committee recommendation.....	231, 700, 000

This appropriation provides for pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for the Army Reserve and Reserve Officers' Training Corps.

The committee recommends the appropriation of \$231,700,000 for "Reserve personnel, Army," the same amount as allowed by the House and an increase over the budget of \$29,700,000.

In so doing, the committee agrees with the House action increasing the strength of the Army Reserve from 270,000 to 300,000, and recommends approval of the funds added by the House for this purpose. It is the committee's belief that a strong Reserve Force, including both Reserves and National Guard components in the respective military departments, is second only to powerful Regular Forces. It is mindful of the highly important role which the Reserve Forces have played in past wars, most recently in Korea, and believes that the part the Reserve Forces must play in any future conflict is highly important. Because of this the committee has not only approved the action of the House but has also provided language in the bill which will establish an average strength for the Army Reserve for the fiscal year 1960 of not less than 300,000. Language has also been included to limit the use of increased funds to the purposes for which the funds were provided—to maintain the Reserve strength at 300,000.

RESERVE PERSONNEL, NAVY

Appropriations, 1959.....	\$90,098,000
Budget estimate, 1960.....	88,000,000
House action.....	88,000,000
Amount requested of Senate.....	88,000,000
Committee recommendation.....	88,000,000

This appropriation provides for pay, allowances, clothing, subsistence, gratuities, travel and related expenses for the Naval Reserve and Naval Reserve Officers' Training Corps.

The committee recommends approval of \$88,000,000 for this appropriation, which is the budget estimate and the amount of the House allowance. Estimated end strength for fiscal year 1960 totals 135,000.

RESERVE PERSONNEL, MARINE CORPS

Appropriations, 1959.....	\$23,760,000
Budget estimate, 1960.....	24,300,000
House action.....	24,300,000
Amount requested of Senate.....	24,300,000
Committee recommendation.....	24,300,000

This appropriation provides for pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for the Marine Corps Reserve and Marine Corps platoon leaders' class.

The committee recommends for the appropriation "Reserve personnel, Marine Corps" a total of \$24,300,000, the budget estimate, and the amount allowed by the House.

RESERVE PERSONNEL, AIR FORCE

Appropriations, 1959.....	\$53,746,000
Budget estimate, 1960.....	54,000,000
House action.....	54,000,000
Amount requested of Senate.....	54,000,000
Committee recommendation.....	54,000,000

This appropriation provides for pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for the Air Force Reserve and Air Reserve Officers' Training Corps.

The committee recommends approval of \$54,000,000 for this appropriation, the budget estimate, and the same amount as allowed by the House. Funds requested will provide for an end strength for fiscal year 1960 of 60,560 personnel.

NATIONAL GUARD PERSONNEL, ARMY

Appropriations, 1959.....	(1)
Budget estimate, 1960.....	\$191,961,000
House action.....	234,961,000
Amount requested of Senate.....	191,961,000
Committee recommendation.....	234,961,000

¹ Funded in 1959 with "Army National Guard" appropriation which totaled \$353,093,000.

This appropriation provides for pay, allowances, clothing, subsistence, gratuities, travel and related expenses for the Army National Guard.

The committee recommends \$234,961,000 for this appropriation, the same amount as allowed by the House, and an amount \$43,000,000 over the estimate.

The committee recommends approval of the House increase in the funds for the Army National Guard supporting an average strength of 400,000. This is consistent with similar action taken last year. The House provided an additional \$90,300,000 in four separate appropriation accounts to accomplish this. The committee recommends approval of these funds, with the exception of \$5,300,000 in another appropriation of a House increase of \$6,000,000 for NIKE site support of operations, which the Department has indicated would not be required.

As indicated above in the case of the Army Reserve, and for the same reasons, the committee recommends that language be provided in the bill establishing an average strength of not less than 400,000 for the fiscal year 1960. The bill also provides for an input of not less than 55,000 into the 6 months' training program during fiscal year 1960. In the appropriate accounts a further proviso limits the increased funds for the Army National Guard to the purpose for which appropriated—that is, increased expenses necessary to maintain the Army National Guard at an average strength of 400,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

Appropriations 1959.....	(1)
Budget estimate 1960.....	\$48,000,000
House action.....	48,000,000
Amount requested of Senate.....	48,000,000
Committee recommendation.....	48,000,000

¹ Funded in 1959 within "Air National Guard" appropriation which totaled \$251,880,800.

This appropriation provides for pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for the Air National Guard.

The committee recommends approval of \$48,000,000 for this appropriation, the budget estimate, and the same amount as approved by the House. The Air National Guard is estimated to have an end strength for fiscal year 1960 of 74,500.

RETIRED PAY, DEPARTMENT OF DEFENSE

Appropriations 1959-----	\$640,000,000
Budget estimate 1960-----	715,000,000
House action-----	715,000,000
Amount requested of Senate-----	715,000,000
Committee recommendation-----	715,000,000

This appropriation provides for the pay of all military personnel on the retired list of the Department of Defense.

The committee recommends approval of \$715,000,000 for this appropriation, the budget estimate, and the amount allowed by the House. The average number of such personnel estimated for fiscal year 1960 is 245,819.

TITLE II—OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

Appropriations, 1959-----	\$3,117,238,000
Budget estimate, 1960-----	3,053,785,000
House action-----	3,065,390,000
Amount requested of Senate-----	3,052,696,000
Committee recommendation-----	3,085,390,000

This appropriation provides for expenses, not otherwise provided for, necessary for the operation, maintenance, and administration of the Army, including the Army Reserve and the Army Reserve Officers' Training Corps.

The committee recommends for "Operation and maintenance, Army" an appropriation of \$3,085,390,000. This is an amount of \$31,605,000 over the budget and \$20,000,000 over the amount allowed by the House. The restoration of \$20,000,000 is for base operations costs and proficiency flying which the Department indicated were required. No restoration has been provided for the 1-percent reduction in civilian personnel costs made by the House of Representatives. The committee believes that in such large appropriations as those for "Operation and maintenance" in the Army, Navy, and Air Force, the modest 1-percent reduction in civilian personnel costs can with careful planning be readily absorbed. The committee has approved action by the House in providing funds in this appropriation totaling \$48,-800,000 for increased strengths for the Army National Guard and Army Reserve and has provided language limiting the use of these increases to the purposes for which the increase was provided.

The committee has also recommended language authorizing and validating expenditures made by the Department of the Army on behalf of the Department of the Navy in fiscal year 1958 under the dependents' medical care program for care of dependents of Navy and Marine Corps personnel.

OPERATION AND MAINTENANCE, NAVY

Appropriations 1959-----	¹ \$2,575,515,900
Budget estimate 1960-----	² 2,803,192,000
House action-----	2,599,320,000
Amount requested of Senate-----	2,631,157,000
Committee recommendation-----	2,621,720,000

¹ Includes activities previously carried under several Navy operation and maintenance appropriations.

² Includes \$172,000,000 for "Marine Corps troops and facilities" which the House and Senate have removed from this account and considered separately in connection with a new account "operation and maintenance, Marine Corps."

This appropriation provides for expenses, not otherwise provided for, necessary for the operation, maintenance, and administration of the Navy including the Naval Reserve, and the Naval Reserve Officers' Training Corps.

The committee recommends an appropriation of \$2,621,720,000 for "Operation and maintenance, Navy." This is an amount \$181,472,000 under the estimate and an amount \$22,400,000 over the House. The total provided results from the following actions. In support of increased strength for the Marine Corps, \$5,900,000 has been added to the House amount. In order to provide funds indicated as needed by the Department, \$21,000,000 of a House reduction of \$36,372,000 has been restored for base operations costs, proficiency flying, and the operation and maintenance of the active fleet. No restoration has been granted relating to the 1 percent reduction made by the House in civilian personnel costs, it being believed that the Department can readily absorb this relatively minor amount in its program. The committee has approved a reduction in this account of \$4,500,000 for antisubmarine warfare as requested by the Department. The committee has also approved House action transferring \$171,350,000 from this appropriation to the new appropriation title "Operation and maintenance, Marine Corps."

OPERATION AND MAINTENANCE, MARINE CORPS

Appropriations, 1959	\$173,117,000
Budget estimate, 1960	(1)
House action	171,350,000
Amount requested of Senate	172,000,000
Committee recommendation	175,850,000

¹ The House recommended the establishment of a new account "Operation and maintenance, Marine Corps" to finance the activities previously carried under "Marine Corps troops and facilities." The fiscal year 1960 budget estimate included \$172,000,000 for the latter account in "Operation and maintenance, Navy."

This appropriation provides for expenses, not otherwise provided for, necessary for the operation, maintenance, and administration of the Marine Corps, including the Marine Corps Reserve.

The committee has recommended an appropriation of \$175,850,000 for "Operation and maintenance, Marine Corps." This is \$4,500,000 over the amount provided by the House and is for support of a Marine Corps strength of 200,000, for which other increases have been provided elsewhere in this bill. The committee has approved House action providing a separate appropriation for this function.

OPERATION AND MAINTENANCE, AIR FORCE

Appropriations, 1959	\$4,119,525,000
Budget estimate, 1960	4,256,800,000
House action	4,167,506,000
Amount requested of Senate	4,254,627,000
Committee recommendation	4,222,506,000

This appropriation provides for expenses, not otherwise provided for, necessary for the operation, maintenance, and administration of the Air Force, including the Air Force Reserve and the Air Reserve Officers' Training Corps.

The committee recommends an appropriation of \$4,222,506,000 for "Operation and maintenance, Air Force." This is an amount

\$34,294,000 under the budget estimate and \$55,000,000 over the House. The increase over the House provides for operational support and proficiency flying costs testified to as needed by the Department. No restoration of the 1 percent reduction in civilian personnel costs made by the House has been allowed, the committee believing that a minor reduction of this nature can be readily absorbed with careful planning.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

Appropriations, 1959.....	(1)
Budget estimate, 1960.....	\$146, 000, 000
House action.....	157, 000, 000
Amount requested of Senate.....	146, 000, 000
Committee recommendation.....	151, 700, 000

¹ Appropriation previously carried under title of "Army National Guard."

This appropriation provides for expenses of training, organizing and administering the Army National Guard.

In this appropriation the Senate committee recommends an appropriation of \$151,700,000, a reduction of \$5,300,000 from the amount approved by the House and an amount \$5,700,000 over the budget estimate. As indicated previously in this report, the House added funds in several appropriation accounts to maintain the strength of the Army National Guard at 400,000, the number approved by the Congress for fiscal 1959. The committee has approved the action of the House, but has reduced the amount added by the House for operation and maintenance from \$11,000,000 to \$5,700,000, the reduction being in the NIKE support item, for which the Department of the Army indicated that only \$700,000 of the \$6,000,000 provided by the House was required, because of changed concepts since the House action. The \$5,000,000 additional provided by the House for logistical support remains the same.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

Appropriations, 1959.....	(1)
Budget estimate, 1960.....	\$169, 000, 000
House action.....	169, 000, 000
Amount requested of Senate.....	169, 000, 000
Committee recommendation.....	169, 000, 000

¹ Appropriation previously carried under title "Air National Guard."

This appropriation provides for operation and maintenance expenses of the Air National Guard.

The committee recommends approval of \$169,000,000 for the operation and maintenance of the Air National Guard. This is the budget estimate and the same amount as provided by the House.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

Appropriations, 1959.....	\$300, 000
Budget estimate 1960.....	300, 000
House action.....	300, 000
Amount requested of Senate.....	300, 000
Committee recommendation.....	300, 000

This appropriation provides for the administrative and operating expenses of the National Board for the Promotion of Rifle Practice.

The committee recommends for the National Board for Promotion of Rifle Practice \$300,000, the budget estimate, and the same amount as provided by the House. The committee has long been convinced that familiarity with and training in small arms is important to our defense preparedness. Studies made by the Department of the Army have indicated that a major problem in past wars has been the lack of previous experience among riflemen. The committee believes that in view of this, such training as the National Board may contribute is to be encouraged.

OPERATION AND MAINTENANCE, ALASKA COMMUNICATION SYSTEM, ARMY

Appropriations, 1959.....	\$5,667,200
Budget estimate, 1960.....	5,676,000
House action.....	5,676,000
Amount requested of Senate.....	5,676,000
Committee recommendation.....	5,676,000

This appropriation provides for the operation, maintenance and improvement of the Alaska Communication System.

The committee recommends an appropriation of \$5,676,000 for this account. This is the budget estimate and the same amount as was allowed by the House.

SALARIES AND EXPENSES, SECRETARY OF DEFENSE

Appropriations, 1959.....	¹ \$16,545,000
Budget estimate, 1960.....	20,500,000
House action.....	20,500,000
Amount requested of Senate.....	20,500,000
Committee recommendation.....	20,500,000

¹ Does not include \$448,500 previously carried under in the appropriation "Office of Public Affairs."

This appropriation provides for salaries and expenses of the Office of the Secretary of Defense.

The committee recommends for this appropriation \$20,500,000, the budget estimate, and the same amount as allowed by the House.

CLAIMS, DEPARTMENT OF DEFENSE

Appropriations, 1959.....	\$16,520,000
Budget estimate, 1960.....	16,500,000
House action.....	16,500,000
Amount requested of Senate.....	16,500,000
Committee recommendation.....	16,500,000

This appropriation provides for the payment of claims by the Department of Defense (except as provided in appropriations for civil functions administered by the Department of the Army).

The committee recommends an appropriation of \$16,500,000 for claims against the Government. This is the budget estimate and the same amount as provided by the House.

CONTINGENCIES, DEPARTMENT OF DEFENSE

Appropriations, 1959.....	\$30,000,000
Budget estimate, 1960.....	30,000,000
House action.....	30,000,000
Amount requested of Senate.....	30,000,000
Committee recommendation.....	15,000,000

This appropriation provides the Secretary of Defense with funds to meet emergencies and extraordinary expenses arising in connection with the national security and for such other military purpose he deems proper.

The committee recommends an appropriation of \$15,000,000 for "Contingencies, Department of Defense." This is an amount \$15,000,000 under the House, which provided the budget estimate. It is believed that the sum provided is sufficient to carry out the requirements of this appropriation.

OPERATION AND MAINTENANCE, OLYMPIC WINTER GAMES, DOD

Appropriations, 1959	-----	
Budget estimate, 1960	-----	¹ \$800, 000
House action	-----	400, 000
Amount requested of Senate	-----	800, 000
Committee recommendation	-----	800, 000

¹ includes amendment of \$400,000 (H. Doc. 102).

This appropriation provides for expenses in connection with the VIII Olympic winter games, 1960.

The committee recommends an appropriation of \$800,000 for this purpose, an increase of \$400,000 over the House bill and the full amount of the budget estimate. The increase of \$400,000 shall be available only upon the enactment into law of H.R. 5674 which has passed the two Houses and is now in conference. The action of the committee is based upon the following information which was furnished to the committee:

1. Thirty-two nations will participate in the Squaw Valley games.
2. Nationalist China—the Republic of China—will also participate. Nationalist China accepted an invitation to participate in these games. Both the invitation and the acceptance occurred prior to the IOC action of May 28, 1959, and remain in effect at the present time.
3. Red China is not now a member of the International Olympic Committee, and will not be permitted to compete at Squaw Valley.
4. Nationalist China will be carried on the rolls of the IOC as "the Republic of China."

SALARIES AND EXPENSES, COURT OF MILITARY APPEALS, DOD

Appropriations, 1959	-----	\$405, 200
Budget estimate, 1960	-----	425, 000
House action	-----	425, 000
Amount requested of Senate	-----	425, 000
Committee recommendation	-----	425, 000

This appropriation provides for salaries and expenses of the Court of Military Appeals.

The committee recommends \$425,000 for this appropriation. This is the budget estimate and the same amount as provided by the House.

TITLE III—PROCUREMENT

PROCUREMENT OF EQUIPMENT AND MISSILES, ARMY

Appropriations, 1959	-----	\$1, 669, 338, 000
Budget estimate, 1960	-----	1, 024, 700, 000
House action	-----	1, 232, 300, 000
Amount requested of Senate	-----	1, 224, 700, 000
Committee recommendation	-----	1, 450, 000, 000

This appropriation provides for procurement of all major supplies and equipment and related production equipment and facilities, including missiles, aircraft, vehicles, electronics, etc., necessary to equip, maintain and train the Army active and reserve forces.

The committee recommends an appropriation of \$1,450,000,000 for "Procurement of equipment, and missiles, Army." This is an amount \$425,300,000 over the budget and \$217,700,000 over the House. It is \$219,338,000 under the amount provided for fiscal year 1959.

The committee action was taken as a result of the conviction that in order to have a strong Army, a high degree of modernization must be effectuated. In addition, testimony by the Department of the Army indicated that a program deficiency of \$267,000,000 may develop in fiscal 1960 because MAP reimbursable items from prior years and estimated deobligations from fiscal years 1959 and 1960 may not materialize.

In order to provide for Army modernization, the committee recommends the appropriation of new funds of \$205,300,000 plus the restoration of a \$12,400,000 reduction made by the House. As indicated elsewhere in the report, the committee also approves the Department of Defense plan to apply the House increase of \$200,000,000 for the NIKE-ZEUS missile and/or Army modernization so that \$137,000,000 will be utilized for increased production of NIKE-ZEUS and \$63,000,000 to Army modernization. In addition the committee has approved the Department of Defense plan to reprogram \$76,800,000 of NIKE-HERCULES funds, most of which are available from prior year appropriations, to augment Army modernization. In addition, the committee directs that \$41,000,000 in other NIKE-HERCULES funds be reprogrammed to Army modernization. This latter action is consistent with Senate action relating to the military authorization bill. Thus the total reprogramming action from NIKE-HERCULES to this segment of Army modernization totals \$117,800,000, and language has been added to accomplish this.

Included in the House and Senate bills is a \$20,000,000 increase for National Guard and Reserve procurement of equipment and missiles. If these funds are not fully required by the National Guard and the Reserve, utilization by the Department of the Army for modernization purposes is authorized.

AIRCRAFT AND RELATED PROCUREMENT, NAVY

Appropriations, 1959.....	\$2, 033, 795, 000
Budget estimate, 1960.....	1, 950, 294, 000
House action.....	1, 969, 394, 000
Amount requested of Senate.....	1, 950, 294, 000
Committee recommendation.....	1, 950, 294, 000

This appropriation provides for the procurement and modification of aircraft, missiles and supporting equipment for the Navy and Marine Corps active and reserve forces.

The committee has approved the request of the Department of Defense and has provided \$1,950,294,000 for "Aircraft and related procurement, Navy." This is the budget estimate and an amount \$19,100,000 under the House. In taking this action, the committee has restored the \$19,900,000 reduction made by the House and has deleted \$39,000,000 added by the House for antisubmarine warfare.

SHIPBUILDING AND CONVERSION, NAVY

Appropriations, 1959.....	\$2,069,400,000
Budget estimate, 1960.....	1,498,200,000
House action.....	1,322,000,000
Amount requested of Senate.....	1,498,200,000
Committee recommendation.....	1,636,200,000

This appropriation provides for construction, acquisition and conversion of naval vessels, including equipment and materiel for ships.

The committee has recommended an appropriation of \$1,636,200,000 for "Shipbuilding and conversion, Navy." This is an amount \$138,000,000 over the budget and an amount \$314,200,000 over the House. In providing these funds, the committee has recommended the appropriation of \$380,000,000 for a nuclear-propelled attack aircraft carrier. The budget estimate had requested \$260,000,000 for a conventionally powered attack aircraft carrier, which had been denied by the House. Testimony by the Secretary of Defense and the chief of Naval Operations emphasized the necessity for a replacement of carriers of World War II vintage. The committee's action reflects the conviction that the replacement of overage carriers is important to our defense posture, and that the most modern ships possible should be constructed. The committee has deleted the funds added by the House for antisubmarine warfare, amounting to \$97,200,000 in this appropriation, but has added \$18,000,000 for procurement of long lead-time components for one antisubmarine submarine. In addition, the committee has restored a general reduction of \$13,400,000 made by the House in procurement funds.

PROCUREMENT OF ORDNANCE AND AMMUNITION, NAVY

Appropriations, 1959.....	\$602,535,000
Budget estimate, 1960.....	564,069,000
House action.....	627,369,000
Amount requested of Senate.....	564,069,000
Committee recommendation.....	564,069,000

This appropriation provides for procurement of Navy ordnance materiel, including certain missiles and related equipment.

The committee recommends approval of the request of the Department of Defense for \$564,069,000 for the appropriation for "Procurement of ordnance and ammunition, Navy." This is the budget estimate and an amount \$63,300,000 under the House. The committee's action restores a general procurement reduction made by the House of \$6,300,000 and deletes House increases of \$69,600,000 in the antisubmarine warfare program.

PROCUREMENT, MARINE CORPS

Appropriations, 1959.....	\$25,000,000
Budget estimate, 1960.....	135,200,000
House action.....	133,850,000
Amount requested of Senate.....	133,850,000
Committee recommendation.....	133,850,000

This appropriation provides for procurement of all major equipment necessary to equip the Marine Corps forces and reserve components with the exception of aircraft, certain missiles and related supporting equipment.

The committee recommends \$133,850,000 for the appropriation "Procurement, Marine Corps." This is the amount provided by the House and the same amount as the revised request of the Department, which is \$1,350,000 under the budget.

AIRCRAFT PROCUREMENT, AIR FORCE

Appropriations, 1959.....	(1)
Budget estimate, 1960.....	\$4, 409, 100, 000
House action.....	4, 165, 700, 000
Amount requested of Senate.....	4, 409, 100, 000
Committee recommendation.....	4, 316, 600, 000

¹ This appropriation was carried for 1959 in the appropriations "Aircraft, missiles and related procurement, Air Force" and "Procurement other than aircraft and missiles, Air Force."

This appropriation provides for the procurement and modification of aircraft and supporting equipment for the Air Force Active and Reserve forces.

For the appropriation "Aircraft procurement, Air Force," the committee recommends \$4,316,600,000, a decrease of \$92,500,000 from the budget estimate and an increase over the House of \$150,900,000. Restorations made by the committee include \$24,500,000 for 35 jet utility training aircraft required to provide jet proficiency training to pilots and crew members; \$23,400,000 for 14 jet navigation ECM training aircraft (UC-X) needed for advanced navigator training, electronic countermeasure training, and for airway traffic control surveillance; and \$50,000,000 of the \$100,000,000 requested for modification of aircraft to insure safety of flight for aircraft and crew and for correction of service-revealed deficiencies. In addition, the committee has restored the reduction in procurement made by the House of 1 percent, totaling \$42,000,000. The committee has also provided \$11,000,000 for 11 F-27 mission support type aircraft in order to modernize the aircraft in this required program. The committee approves the House action deleting \$53,500,000 for 10 jet cargo aircraft.

MISSILE PROCUREMENT, AIR FORCE

Appropriations, 1959.....	(1)
Budget estimate, 1960.....	\$2, 601, 200, 000
House action.....	2, 448, 300, 000
Amount requested of Senate.....	2, 631, 800, 000
Committee recommendation.....	2, 552, 900, 000

¹ This appropriation was carried for 1959 in the appropriations "Aircraft, missiles and related procurement, Air Force" and "Procurement other than aircraft and missiles, Air Force."

This appropriation provides for the procurement and modification of missiles, rockets, and supporting equipment for the Air Force Active and Reserve forces.

The committee recommends an appropriation of \$2,552,900,000 for "Missile procurement, Air Force." This is \$48,300,000 under the budget and \$104,600,000 over the House.

The committee has restored \$79,900,000 for missiles and associated ground equipment to meet program requirements for the BOMARC missile. The budget request was \$162,700,000. The House deleted these funds and under the revised air defense program a restoration of \$129,900,000 was requested. The committee believes that the funds provided are adequate.

The committee also restored the \$24,700,000 overall reduction made by the House in the procurement program. Testimony indicated

that the restorations of these funds was necessary to fund the programmed objectives.

The House included \$85,000,000 additional for the ATLAS program and \$77,000,000 additional for the MINUTEMAN program. The committee has approved the increase in funds provided by the House but directs the Secretary of Defense to utilize these funds for such ballistic missile programs as, in his opinion, are most promising to the national defense effort.

Restoration of the \$127,500,000 for the MACE missile and associated ground support equipment, deleted by the House, is denied. However, if expenditures for the procurement of MACE are considered essential, then the committee recommends that the Secretary of Defense use maintenance and operation, procurement and research and development funds in his discretion to procure the MACE missile.

As noted earlier in this report, approval of the \$172,000,000 which the House had earmarked for acceleration of the ATLAS and MINUTEMAN programs is not to be construed as limiting the additional funds to these particular missile programs. The funds in question are intended to be used for the acceleration of any ballistic missile programs which the Secretary of Defense considers can be accelerated in the national interest.

OTHER PROCUREMENT, AIR FORCE

Appropriations, 1959.....	(1)
Budget estimate, 1960.....	\$1, 165, 200, 000
House action.....	1, 104, 100, 000
Amount requested of Senate.....	1, 156, 900, 000
Committee recommendation.....	1, 115, 200, 000

¹ This appropriation was carried for 1959 in the appropriations "Aircraft, missiles, and related procurement, Air Force" and "Procurement other than aircraft and missiles, Air Force."

This appropriation provides for ground electronics and communications equipment for warning and control systems for air defense, and for vehicles, ammunition, and other centrally procured ground equipment in support of the Air Force Active and Reserve forces.

The committee recommends an appropriation of \$1,115,200,000 for "Other procurement, Air Force." This is a decrease from the budget estimate of \$50,000,000 and an increase over the House of \$11,100,000. In so doing, the committee has agreed to the House reduction of \$50,000,000 in the radar improvement program but has restored the \$11,100,000 reduction made by the House in procurement. The committee has also provided language in the bill which would earmark funds for the Air National Guard, \$16,100,000 of which are contained in this title and \$2,900,000 in "Aircraft procurement, Air Force."

TITLE IV—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

Appropriations, 1959.....	\$507, 345, 000
Budget estimate, 1960.....	¹ 1, 046, 515, 000
House action.....	1, 046, 515, 000
Amount requested of Senate.....	1, 035, 715, 000
Committee recommendation.....	1, 035, 715, 000

¹ Includes items previously budgeted under other accounts.

This appropriation provides for expenses for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease and operation of facilities and equipment.

The committee recommends an appropriation of \$1,035,715,000 for "Research, development, test and evaluation, Army." This is \$10,800,000 under the budget estimate, which was provided by the House, but is the amount requested by the Department of Defense under the revised air defense program.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

Appropriations, 1959	\$830, 779, 300
Budget estimate, 1960	¹ 970, 920, 000
House action	1, 015, 920, 000
Amount requested of Senate	972, 305, 000
Committee recommendation	970, 920, 000

¹ Includes items previously budgeted under other accounts.

This appropriation provides for expenses for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment.

The committee recommends an appropriation of \$970,920,000, the budget estimate, and an amount \$45,000,000 below the House amount. The committee approved the Department of Defense request to delete the additional amount of \$45,000,000 for antisubmarine warfare added by the House.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

Appropriations, 1959	\$751, 829, 000
Budget estimate, 1960	¹ 1, 149, 900, 000
House action	1, 159, 900, 000
Amount requested of Senate	1, 159, 900, 000
Committee recommendation	1, 159, 900, 000

¹ Includes items previously budgeted under other accounts.

This appropriation provides for expenses for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease and operation of facilities and equipment.

The committee recommends an appropriation of \$1,159,900,000 for "Research, development, test and evaluation, Air Force." This is the same amount as provided by the House and \$10,000,000 over the budget estimate. The additional amount added by the House was for the acceleration of the MINUTEMAN program. The Department of Defense indicated that it would not request that this amount be deleted as it would provide additional flexibility within the program.

In addition the committee recommends the inclusion of language which would prevent the duplication of construction, maintenance, or rental of missile testing facilities in the Air Force until the fullest use is made of existing facilities.

SALARIES AND EXPENSES, ADVANCED RESEARCH PROJECTS AGENCY,
DOD

Appropriations, 1959	\$520, 000, 000
Budget estimate, 1960	455, 000, 000
House action	455, 000, 000
Amount requested of Senate	455, 000, 000
Committee recommendation	455, 000, 000

This appropriation provides funds to support programs of an advanced type having military application such as missile defense systems, satellites and other space vehicle systems, and other advanced research and development programs as may be designated and determined by the Secretary of Defense.

The committee recommends an appropriation of \$455,000,000, the budget estimate, and the amount provided by the House for "Salaries and expenses, Advanced Research Projects Agency."

EMERGENCY FUND, DEPARTMENT OF DEFENSE

Appropriations, 1959	¹ \$150, 000, 000
Budget estimate, 1960	¹ 150, 000, 000
House action	¹ 150, 000, 000
Amount requested of Senate	¹ 150, 000, 000
Committee recommendation	¹ 150, 000, 000

¹ Plus transfer authority of \$150,000,000.

This appropriation provides necessary flexibility to permit the prompt exploitation of technological breakthroughs and to handle unexpected developments related to the research, development, test and evaluation programs of the Department of Defense while at the same time avoiding the disruption of the current research and development programs. In addition to the direct appropriation, the Secretary of Defense is also provided with authority to derive by transfer additional funds from such appropriations available to the Department of Defense for obligation during the current fiscal year as the Secretary may designate. Funds appropriated or derived by transfer are available for transfer by the Secretary of Defense, with the approval of the Bureau of the Budget, to any appropriation for military functions under the Department of Defense available for research, development, test and evaluation or procurement or production related thereto.

The committee recommends an appropriation of \$150,000,000 plus transfer authority of \$150,000,000 for the "Emergency fund, Department of Defense." This is the amount provided by the House, and is the budget estimate.

GENERAL PROVISIONS

SECTION 603. REPRESENTATION ALLOWANCES

The committee has approved the request of the Department of Defense in providing the following language:

allowances as determined by the Secretary of Defense, for the representation of the United States by officers of United States military missions to foreign countries;

The purpose of this amendment is to permit the payment of a representation allowance for representation of the United States by officers of the U.S. military missions in foreign countries.

SECTION 617. LEGAL TRAINING

The committee recommends the inclusion of the following language:

: Provided, further, That such limitation shall not apply in the case of four Marine Corps officers below the grade of captain (at the time such training is begun hereunder) if such officers agree in writing to serve in the Marine Corps for a period of not less than six years after completion of such training and agree to seek admission to the bar of the highest court of a State or of the District of Columbia upon completion of such training

The effect of the above amendment would be to permit the Marine Corps to train four officers, under the conditions provided, in the legal profession.

SECTION 630. LEGISLATIVE LIAISON ACTIVITIES

The committee has agreed to the inclusion of the House language limiting the use of funds for legislative liaison activities of the Department of Defense, but has reduced the amount of the limitation from \$2,900,000 to \$2,400,000. However, by language in the bill, the amount provided shall be available for apportionment among the three Departments and the Office of the Secretary of Defense as determined by the Secretary of Defense.

SECTION 631. MILITARY AIR TRANSPORTATION SERVICE

The committee recommends that the present section 631 of the bill, which was inserted by the House, be deleted and that the following section be substituted:

SEC. 631. Of the funds made available by this Act for the services of the Military Air Transport Service, \$100,000,000 shall be available only for procurement of commercial air transportation service from carriers certificated by the Civil Aeronautics Board as scheduled or supplemental air carriers; and the Secretary of Defense shall utilize the services of such civil air carriers which qualify as small businesses to the fullest extent found practicable.

The committee specifically reaffirms all language on the use of commercial air carriers contained in the report on the 1959 Department of Defense appropriations bill. (S. Rept. No. 1937, 85th Cong., 2d sess.).

The committee recommends that the funds made available to the Military Air Transport Service which can be used only for the procurement of commercial air transportation be increased from \$80,000,000 to \$150,000,000; that such service be procured from carriers certificated by the Civil Aeronautics Board as scheduled or supplemental air carriers; and that the Secretary of Defense utilize the services of such certificated carriers which qualify as small business to the fullest extent found practicable.

The committee strongly recommends that in the procurement of commercial air transportation MATS make greater use of common carriage, for both passengers and cargo, wherever tariffs filed with the Civil Aeronautics Board appear to offer a reasonable rate which gives proper consideration to the reduced expenses to the carriers for such carriage. The committee believes that MATS should make proper use of both common and contract carriage, and not continue to rely solely on contract carriage obtained by competitive bids. In a number of cases, Alaskan and overseas carriers are now receiving a subsidy from the CAB, which could be eliminated or greatly reduced if these carriers' scheduled capacity were properly utilized for military passengers and cargo. To contract for capacity which duplicates unused subsidized capacity is clearly wasteful.

The term "certificated supplemental air carriers" includes all carriers which the CAB has certificated as such; all to which the CAB has awarded a hearing in order to qualify for such certification; and those whose certificated status is pending before the U.S. Court of Appeals for the District of Columbia Circuit. It is not the intention of the committee to include any carrier not subject to economic regulation by the CAB.

Section 631 requires the Secretary of Defense to utilize the services of scheduled and supplemental carriers which qualify as small businesses to the fullest extent found practicable. A similar provision was initiated by the Senate last year, accepted by the House in conference, and reenacted by the House in its action on the pending bill. This provision serves to protect and maintain a vital segment of the civil reserve air fleet which has proven of unique value in military airlift. This provision is in keeping with standard practice by the Department of Defense in other types of procurement.

The committee is pleased with indications that MATS is moving in the direction of a purely logistical air fleet. The committee has repeatedly urged that the strictly commercial type of requirement be filled by the commercial air carriers. We reiterate that MATS should confine itself to carriage of hard-core, outsized cargo, leaving other freight and passengers to the civil air carriers.

The committee is concerned by evidence, presented before this and other congressional committees, indicating a lag in the development of adequate, all-cargo equipment. To remedy this, the committee recommends a greater utilization of certificated all-cargo carriers on the routes assigned to them by the CAB, both domestically and internationally. Revenues from this source should encourage the all-cargo carriers as well as the supplemental carriers to develop new types of cargo equipment in preference to adding such aircraft to the MATS fleet at Government expense.

In regard to domestic air travel, the committee has studied alarming evidence that the Department of Defense and the three services are indulging in unjustified expenditures to purchase air transportation (first class) for military personnel that is both more luxurious and

costly than the type of air travel which is customarily used by the traveling public (air coach). In fiscal 1958, the Department of Defense purchased first-class travel within continental United States for 850,000 military passengers, as opposed to only 131,000 by air coach (economy class) and 194,000 by charter. The Department of Defense should immediately institute the policy of utilizing economy class or charter service for all personnel, with exceptions only where justified.

The committee commends the Air Force for instituting a policy of utilizing air transportation as a means of reducing in-transit time for personnel and cargo. The committee strongly recommends that this become the policy of the entire Defense Establishment. Mobility and economy will result if the services recognize the specific monetary value of time saved in the evaluation of transportation costs.

SECTION 633. TRANSFER OF FUNDS FOR BALLISTIC MISSILE PROGRAM

The committee recommends the inclusion of the following section dealing with the transfer of funds for the ballistic missile program:

During the current fiscal year, the Secretary of Defense, with the approval of the Bureau of the Budget, may, whenever he deems it advantageous to the national defense to accelerate any ballistic missile program or nonballistic strategic or tactical missile programs, transfer to any appropriation for military functions under the Department of Defense available for research, development, test and evaluation or procurement and production of ballistic missile systems or nonballistic strategic or tactical missile programs, up to 10 per centum of the amounts programmed for obligation during the current fiscal year for research, development, test and evaluation, procurement and production or operation and maintenance of missile systems or continental air defense programs: Provided, That any appropriations transferred shall not exceed 10 per centum of the appropriation from which transferred: Provided further, That the Secretary of Defense shall notify the Appropriations Committee of the Congress promptly of all transfers made pursuant to this authority.

In order to provide for the acceleration of the ballistic missile program, the committee has included language which permits the Secretary of Defense, with the approval of the Bureau of the Budget, to transfer under certain conditions up to 10 percent of funds programmed for obligation in the appropriations cited. It will be noted that any appropriation transferred shall not exceed 10 percent of the appropriation from which the transfer was made. The committee wishes it clearly understood by the wording of the amendment that the funds may not be transferred to the NIKE-AJAX, NIKE-HERCULES, or BOMARC programs, although funds programmed for these missiles may be so transferred to ballistic missile programs or nonballistic strategic or tactical missile programs.

The Department of Defense is directed to submit to the Appropriations Committees of the Congress, within 30 days after enactment of this act, a detailed report showing the amounts programmed for obligation during the current fiscal year for missile systems and continental air defense programs in the appropriations covered by section 633. This will establish the base for the transfers authorized by this provision.

ALASKA TROOP MILK

Testimony before the committee indicated that the Department of Defense was presently serving reconstituted grade C milk to Army troops stationed in Alaska, while fresh grade A milk was being served to troops in the other States. The committee directs the Department of Defense to serve fresh grade A milk to men in the services in every State, unless a great disparity in cost between grade A milk and other milk is evidenced.

SMALL BUSINESS PROCUREMENT

The committee was requested to recommend two amendments designed to protect and increase the participation of small businesses in defense procurement contracts. The committee is sympathetic to the purposes for which the amendments were designed, but believes that the entire problem involves matters of such magnitude as to deserve detailed and complete study. It, therefore, suggests that the matter be brought to the attention of the proper legislative committees. Meanwhile, the committee calls the problem to the attention of the Department of Defense and directs that the Department utilize the services of small business concerns to the fullest extent practicable.

WAGE BOARD INCREASES

During its consideration of appropriations bills, and particularly supplemental appropriation bills, the committee has received testimony from the various departments of the Government that unbudgeted wage board increases have created a serious problem to orderly planning of the current year's program. Wage board increases have amounted to approximately 50 percent in the past 7 years. Such increases, when allowed, are retroactive to 45 days from the start of the wage survey in a given area. Were these increases limited to a small number of employees, the impact could probably be absorbed without serious effect. However, with over 600,000 wage board employees in the Government, the effect on current programs frequently hurts carefully planned programs. Hoped for stabilization in this situation, long anticipated, has not been accomplished and will not under present procedure unless present wage spirals level off. Testimony indicated that budgets, by the time they become law, are based on actual wage board salaries being paid up to 12 months earlier. Since budgets are annual in nature, a 24-month span is covered, not based on anticipated salaries, but on actual wages in force from 1 to 2 years previously. Whether such increases are required to be absorbed, or whether a subsequent supplemental appropriation is made, the effect on the planned program for a bureau or department is obvious.

The committee understands that a study is being made within the Department of Defense on this matter. The committee hopes that the study will be expedited and suggests that the Bureau of the Budget, the Civil Service Commission, and the departments and agencies involved will attack the problem speedily so that carefully formulated programs approved by the Congress will not in the future be subject to the disruptions caused by perennial wage changes. The committee believes that this problem is of such importance that if

legislation is required to solve the problem, the proper procedures should be initiated.

REPROGRAMING ACTION

Recently the committee has been receiving, by request, semiannual reports on certain reprograming actions in major fields of procurement. These reprograming actions result from changes within an appropriation from those originally contemplated and budgeted for, testified to, and described in the justifications submitted to the committee. Their purpose may in no way deviate from the appropriation language descriptive of the functions for which the funds have been provided.

In line with House action as contained in House report the Senate committee hereby formalizes its request for reprograming reports from the Department of Defense on the same basis as requested by the House committee.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1959 AND ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1960

(Note: Some items not comparable. 1959-60, due to budget structure adjustments.)

TITLE I—MILITARY PERSONNEL

Item	Appropriations, 1959 ¹	Budget esti- mates, 1960	Recommended in House bill, 1960	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (—) Senate bill compared with—		
					Appropriations, 1959	Estimates, 1960	House bill
Military personnel. Army.....	² \$3,175,961,000	³ \$3,314,063,000	⁴ \$3,233,063,000	⁴ \$3,233,063,000	+\$57,102,000	—\$81,000,000	-----
Military personnel. Navy.....	¹ 2,420,618,200	¹ 2,476,700,000	⁶ 2,476,700,000	⁶ 2,476,700,000	+56,081,800	-----	-----
Military personnel. Marine Corps.....	⁷ 635,692,000	⁵ 596,900,000	⁸ 596,900,000	620,600,000	—15,092,000	+23,700,000	+\$23,700,000
Military personnel. Air Force.....	3,941,801,000	¹⁰ 3,914,000,000	¹⁰ 3,912,000,000	¹¹ 3,892,000,000	—49,801,000	—22,000,000	—20,000,000
Reserve personnel. Army.....	222,759,000	202,000,000	231,700,000	231,700,000	+\$8,941,000	+29,700,000	-----
Reserve personnel. Navy.....	90,098,000	88,000,000	88,000,000	88,000,000	—2,098,000	-----	-----
Reserve personnel. Marine Corps.....	23,760,000	24,300,000	24,300,000	24,300,000	+540,000	-----	-----
Reserve personnel. Air Force.....	53,746,000	54,000,000	54,000,000	54,000,000	+254,000	-----	-----
Army National Guard.....	353,993,000	-----	-----	-----	—353,093,000	-----	-----
National Guard personnel. Army.....	-----	191,961,000	234,961,000	234,961,000	+234,961,000	+43,700,000	-----
Air National Guard.....	251,880,800	-----	-----	-----	—251,880,800	-----	-----
National Guard personnel. Air Force.....	-----	48,000,000	48,000,000	48,000,000	+48,000,000	-----	-----
Retired pay, Department of Defense.....	640,000,000	715,000,000	715,000,000	715,000,000	+75,000,000	-----	-----
Total, title I—Military personnel.....	11,809,409,000	11,624,924,000	11,614,624,000	11,613,324,000	—191,085,000	—6,600,000	+3,700,000

TITLE II—OPERATION AND MAINTENANCE

Operation and maintenance, Army-----	\$3, 117, 238, 000	\$3, 053, 785, 000	\$3, 065, 390, 000	\$3, 085, 390, 000	-\$31, 848, 000	+\$31, 605, 000	+\$20, 000, 000
Operation and maintenance, Navy-----	¹² 2, 575, 515, 900	¹³ 2, 803, 192, 000	2, 599, 320, 000	2, 621, 720, 000	+46, 204, 100	-181, 472, 000	+22, 400, 000
Operation and maintenance, Marine Corps-----	¹⁴ 173, 117, 000	(¹⁵)	¹³ 171, 350, 000	175, 850, 000	+2, 733, 000	+175, 850, 000	+4, 500, 000
Operation and maintenance, Air Force-----	4, 119, 525, 000	4, 256, 800, 000	4, 167, 506, 000	4, 222, 506, 000	+102, 981, 000	-34, 284, 000	+55, 000, 000
Operation and maintenance, Army National Guard-----		146, 000, 000	157, 000, 000	151, 700, 000	+151, 700, 000	+5, 700, 000	-5, 300, 000
Operation and maintenance, Air National Guard-----		169, 000, 000	169, 000, 000	169, 000, 000	+169, 000, 000	-----	-----
National Board for the Promotion of Rifle Practice, Army-----	300, 000	300, 000	300, 000	300, 000	-----	-----	-----
Operation and maintenance, Alaska Communication System, Army-----	5, 667, 200	5, 676, 000	5, 676, 000	5, 676, 000	+8, 800	-----	-----
Salaries and expenses, Secretary of Defense-----	16, 545, 000	20, 500, 000	20, 500, 000	20, 500, 000	+3, 955, 000	-----	-----
Office of Public Affairs-----	448, 500	-----	-----	-----	-448, 500	-----	-----
Claims, Department of Defense-----	16, 520, 000	16, 500, 000	16, 500, 000	16, 500, 000	-20, 000	-----	-----
Contingencies, Department of Defense-----	30, 000, 000	30, 000, 000	30, 000, 000	15, 000, 000	-15, 000, 000	-15, 000, 000	-15, 000, 000
Operation and maintenance, Olympic Winter Games, Department of Defense-----	-----	¹⁵ 800, 000	400, 000	800, 000	+800, 000	-----	+400, 000
Salaries and expenses, Court of Military Appeals, Department of Defense-----	405, 200	425, 000	425, 000	425, 000	+19, 800	-----	-----
Total, title II—Operation and maintenance-----	10, 055, 281, 800	10, 502, 978, 000	10, 403, 367, 000	10, 485, 367, 000	+430, 085, 200	-17, 611, 000	+82, 000, 000

¹ Includes amounts appropriated in the Second Supplemental Appropriation Act, 1959.

² In addition, \$375,000,000 to be derived by transfer from revolving funds.

³ In addition, \$200,000,000 to be derived by transfer from revolving funds.

⁴ In addition, \$281,000,000 to be derived by transfer from revolving funds.

⁵ In addition, \$135,000,000 to be derived by transfer from revolving funds.

⁶ In addition, \$75,000,000 to be derived by transfer from revolving funds.

⁷ In addition, \$25,000,000 to be derived by transfer from revolving funds.

⁸ In addition, \$15,000,000 to be derived by transfer from revolving funds.

⁹ In addition, \$24,000,000 to be derived by transfer from revolving funds.

¹⁰ In addition, \$50,000,000 to be derived by transfer from revolving funds.

¹¹ In addition, \$70,000,000 to be derived by transfer from revolving funds.

¹² Includes amounts appropriated under 9 formerly separate titles, as follows:

Aircraft and facilities, Navy-----	\$856, 180, 500
Civil engineering, Navy-----	129, 118, 400
Medical care, Navy-----	97, 698, 000
Naval petroleum reserves-----	1, 683, 000
Navy personnel, general expenses-----	87, 940, 500
Ordnance and facilities, Navy-----	153, 948, 700
Servicewide operations, Navy-----	124, 404, 300
Servicewide supply and finance, Navy-----	325, 134, 500
Ships and facilities, Navy-----	799, 408, 000

¹³ "Marine Corps Troops and Facilities" estimate submitted as an activity included in "Operation and maintenance, Navy" in the amount of \$172,000,000. Recommended as a separate appropriation.

¹⁴ Appropriated under title "Marine Corps Troops and Facilities."

¹⁵ Includes \$400,000 requested in H. Doc. No. 102.

Comparative statement of appropriations for 1959 and estimates and amounts recommended in the bill for 1960—Continued

TITLE III—PROCUREMENT

Item	Appropriations, 1959 ¹	Budget estimates, 1960	Recommended in House bill, 1960	Amount recommended by Senate committee	Increase (+) or decrease (—) Senate bill compared with—		
					Appropriations, 1959	Estimates, 1960	House bill
Procurement of equipment and missiles, Army---	\$1,669,338,000	\$1,024,700,000	\$1,232,300,000	\$1,450,000,000	—\$219,338,000	+\$425,300,000	+\$217,700,000
Aircraft and related procurement, Navy-----	2,033,795,000	1,950,294,000	1,969,394,000	1,950,294,000	—83,501,000	-----	—19,100,000
Shipbuilding and conversion, Navy-----	2,069,400,000	1,498,200,000	1,322,000,000	1,636,200,000	—433,200,000	+138,000,000	+314,200,000
Procurement of ordnance and ammunition, Navy--	602,535,000	564,069,000	627,369,000	564,069,000	—38,466,000	-----	—63,300,000
Procurement, Marine Corps-----	25,000,000	135,200,000	133,850,000	133,850,000	+108,850,000	—1,350,000	-----
Aircraft procurement, Air Force-----	-----	4,409,100,000	4,165,700,000	4,316,600,000	+4,316,600,000	—92,500,000	+150,900,000
Missile procurement, Air Force-----	-----	2,601,200,000	2,448,300,000	2,552,900,000	+2,552,900,000	—48,300,000	+104,600,000
Other procurement, Air Force-----	-----	1,165,200,000	1,104,100,000	1,115,200,000	+1,115,200,000	—50,000,000	+11,100,000
Aircraft, missiles, and related procurement, Air Force-----	6,643,475,000	-----	-----	-----	—6,643,475,000	-----	-----
Procurement other than aircraft and missiles, Air Force-----	2,220,020,000	-----	-----	-----	—2,220,020,000	-----	-----
Total, title III—Procurement-----	15,263,563,000	13,347,963,000	13,003,013,000	13,719,113,000	—1,544,450,000	+371,150,000	+716,100,000

TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Research and development (Army)-----	\$507,345,000	-----	-----	-----	-\$507,345,000	-----	-----
Research, development, test, and evaluation, Army-----		\$1,046,515,000	\$1,046,515,000	\$1,035,715,000	+1,035,715,000	-\$10,800,000	-\$10,800,000
Research and development (Navy)-----	830,779,300	-----	-----	-----	-830,779,300	-----	-----
Research, development, test, and evaluation, Navy-----		970,920,000	1,015,920,000	970,920,000	+970,920,000	-----	-45,000,000
Research and development (Air Force)-----	751,829,000	-----	-----	-----	-751,829,000	-----	-----
Research, development, test, and evaluation, Air Force-----		1,149,900,000	1,159,900,000	1,159,900,000	+1,159,900,000	+10,000,000	-----
Salaries and expenses, Advanced Research Proj- ects Agency, Department of Defense-----	520,000,000	455,000,000	455,000,000	455,000,000	-65,000,000	-----	-----
Emergency Fund, Department of Defense-----	¹⁶ 150,000,000	¹⁶ 150,000,000	¹⁶ 150,000,000	¹⁶ 150,000,000	-----	-----	-----
Total, title IV—Research, development, test, and evaluation-----	2,759,953,300	3,772,335,000	3,827,335,000	3,771,535,000	+1,011,581,700	-800,000	-55,800,000
Total appropriations, titles I, II, III, and IV-----	39,888,207,100	39,248,200,000	38,848,339,000	39,594,339,000	-293,868,100	+346,139,000	+746,000,000

¹ Includes amounts appropriated in the Second Supplemental Appropriation Act, 1959.

¹⁶ In addition, \$150,000,000 to be derived by transfer from other appropriations available for obligation in the respective fiscal year.

